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August 9, 2007

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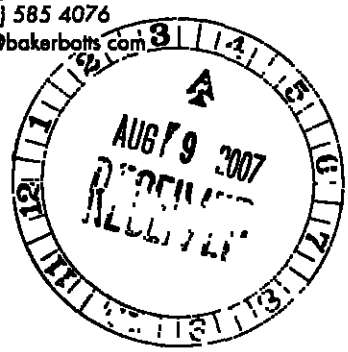


Via Hand Delivery

The Honorable Vernon A Williams
Secretary
Surface Transportation Board
395 E. Street, SW
Washington, D C. 20423

RE New England Transrail. LLC
I D-34797

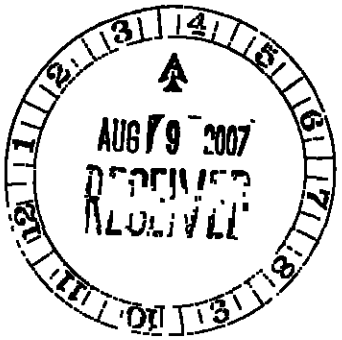
Dear Secretary Williams:

Enclosed for filing in Finance Docket Number 34797 are an original and ten (10) copies each of Petitioner's Submission of Supplemental Information Requested by the Board and Motion for Protective Order. Please time-stamp the extra copies and return it to our messenger.

Thank you in advance for your consideration.

Sincerely,

Jeffrey M Bauer



BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34797

New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail Carrier On Tracks and Land in Wilmington and Woburn, Massachusetts

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Petitioner's Submission of Supplemental Information Requested by the Board

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On June 29, 2007, the Board issued its order asserting jurisdiction over the petition of New England Transrail, LLC ("NET") to operate as a rail carrier, to purchase and construct a rail line, to construct a transloading facility, and to operate that facility on property located in Wilmington, Massachusetts ("NET Project"). New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway – Construction, Acquisition and Operation Exemption – In Wilmington and Woburn, MA, STB Finance Docket No. 34797 (STB served July 10, 2007) ("June 29 Order") The Board concluded that, if authorized, NET would be a rail carrier and all of NET's proposed operations, with one exception, would constitute "transportation."[1] At the same time, the Board directed NET "to submit appropriate evidence of the transportation merits of the current proposal" so that the Board could evaluate whether it should grant NET the necessary authorization to acquire and operate the project Id at 16.

When NET filed its petition for exemption ("NET Petition"), NET described in detail its rail operations, the site on which it intends to build its facility, its proposed construction of

[1] The only activity proposed by NET that the Board determined did not constitute "transportation" was the proposed shredding of construction and demolition debris June 29 Order at 15

buildings and rail lines, and its proposed transloading operations [2] The factual assertions in the NET Petition are supported by the verified statements of Robert W. Jones, III ("Jones V S "), Margret Hanley, Stephen J Graham ("Graham V.S."), John C. Ryan ("Ryan V S "), and Thomas Egan ("Egan V.S."), and are unrebutted. NET also attached to the NET Petition aerial photographs and engineering drawings, which describe the site and the NET Project in further detail During this proceeding, NET has also filed a Consolidated Reply to Comments ("NET Consolidated Reply"), a Reply to Jurisdictional Comments ("NET Jurisdictional Reply"), and a Brief in Support of Oral Argument ("NET Oral Argument Brief") and has submitted additional unrebutted evidence in the form of a Supplemental Verified Statement of Robert W. Jones, III filed on March 23. 2007 ("March 23 Jones V.S.") and a second Supplemental Verified Statement of Robert W. Jones. III filed on April 19, 2007 ("April 19 Jones V.S."). Those filings and the evidence presented therein supply significant information regarding the transportation merits of the NET Project. In addition to NET's filings, local business leaders, freight transportation advocates, and elected officials have submitted comments demonstrating the transportation merits of the NET Project. NET hereby incorporates by reference the evidence and arguments set forth in all of those filings, to the extent that they are consistent with the Board's decision in the June 29 Order, and files this memorandum to supplement the record as the Board directed June 29 Order at 18.

Section 10901(c) of 49 U.S.C states that the Board shall authorize a railroad project "unless the Board finds that such [a project is] inconsistent with the public convenience and necessity," 49 U.S.C. § 10901(c). and a "statutory presumption [exists] that rail construction is to be approved." Mid States Coalition for Progress v. Surface Transp. Bd., 345 F.3d 520, 552 (8th

[2] NET Petition at 5-15 These facts are summarized by the Board in its June 29 Order at pages 2-3, 11-13

Cir. 2003). In its June 29 Order, the Board set forth the three requirements that it considers "[i]n deciding whether to approve an application to acquire or construct a rail line." June 29 Order at 16 Those are: (1) whether there is a public need for the proposed new service; (2) whether the proposal is in the public interest and will not unduly harm existing services, and (3) whether the applicant is financially able to undertake the project and provide the rail service. Id ; see also Mid States, 345 F.3d at 533. For the reasons set forth below, and for the additional reasons stated in the NET Petition, the NET Consolidated Reply, the NET Jurisdictional Reply, the March 23 and April 19 Jones Verified Statements, and the comments filed in support of the NET Project, the NET Project meets each of these three requirements.[3]

1. **There is a public need for the proposed new rail service offered by NET.**

The need for new rail capacity and the need for outside investment in rail infrastructure are both well-documented [4] Indeed, the Board instituted a separate proceeding in Ex Parte No 671 to evaluate the issue of freight rail capacity. In that proceeding, styled as Rail Capacity and Infrastructure Requirements, STB Ex Parte No. 671, interested parties have emphasized the growing demand for freight-rail transportation, the need for additional capacity and infrastructure investment, and the need for the Board to support and ensure the development and continuation of a sound rail transportation system. See generally Comments of Association of American Railroads, STB Ex Parte No. 671 (April 4, 2007) ("AAR Comments"), Statement of Richard F. Timmons, President, American Short Line and Regional Railroad Association, STB Ex Parte No. 671 (April 4, 2007) ("ASLRRA Statement"); Statement of the American Association of State

[3] While the numerous environmental benefits of shifting freight transportation from long-haul trucks to rail are discussed in Section 2 below, per the Board's instructions, for purposes of this filing, NET is focusing solely on the transportation merits of the proposal and not on other environmental issues related to the Property Those issues will be addressed by NET at the appropriate time during the environmental review that will be conducted by the Board's Section of Environmental Analysis' ("SEA")

[4] Rail Capacity and Infrastructure Requirements, STB Ex Parte No 671

Highway and Transportation Officials, STB Ex Parte No. 671 (April 10, 2007) ("AASHTO Statement"). The recent demand for new renewable fuels such as ethanol and biodiesel also increases the need for an improved transportation network because these fuels cannot be transported through petroleum pipelines, and rail transportation will have to fill the gap Transportation Companies Gear Up to Move Ethanol Nationwide, THE ASSOCIATED PRESS, Nov. 9, 2006. Efficient methods of off-loading are also key to supporting the transportation of biofuels Comments of Kevin D. Kaufman on behalf of BNSF Railway Co , Rail Transportation of Resources Critical to the Nation's Energy Supply, STB Ex Parte No 672 (July 5, 2007). Current rail capacity necessary to accommodate the transloading and transportation of biofuels has raised concerns among members of Congress, which has led some to propose a study of rail's capacity to serve the nation's growing demand for biofuels Jeff Stagl, Rail Rates and Service will be Issues as U.S Ethanol Production Rises, Shippers Say; Destination Terminal Capacity a Bigger Concern, Short Line Says, July 16, 2007, http://www progressiverailroading. com/10eastnews/default asp?id=11040

As described in the NET Petition, Ryan V.S. at ¶ 4; Egan V.S. at ¶ 2, and in the statements filed in support of the NET Project, the need for investment in rail infrastructure is extremely important in the Northeastern part of the country, particularly in the Boston area. See, e.g., Statement of Robert A. Rio, Vice President, Associated Industries of Massachusetts ("AIM"), STB Finance Docket No 34797, at 1 (Jan. 18, 2006) ("AIM Support Statement"), attached hereto as Exhibit A; Statement of Frank S DeMasi, Defense Acquisition Professional, STB Finance Docket No. 34797, at 2-5 (Jan 26, 2006) ("DeMasi Support Statement"), attached hereto as Exhibit B; Statement of Bill Owens, (retired) Senator for the Second Suffolk Senatorial Dist., STB Finance Docket No 34797, at 2 (Jan. 26, 2006) ("Owens Support Statement"),

attached hereto as Exhibit C; Statement of P. Christopher Podgurski, Member, Regional Transportation Advisory Council, STB Finance Docket No. 34797, at 1 (Jan. 26, 2006) ("Podgurski Support Statement"), attached hereto as Exhibit D; Statement of Fred R. Moore, President of the Association for Public Transportation, STB Finance Docket No 34797, at 1 (Jan 27, 2006) ("Moore Support Statement"), attached hereto as Exhibit E, and Statement of Stephen R. Sasala, II, President and CEO of the Waterbury Regional Chamber, STB Finance Docket No 34797 (March 13, 2006) ("Waterbury Support Statement"), attached hereto as Exhibit F.[5] The statements of these individuals and organizations representing local industry (AIM, Waterbury Chamber), members of the Regional Transportation Advisory Council Freight Committee (Messrs DeMasi, Podgurski, and Moore), and local elected officials (Senator Owens) all attested to the fact that there is a strong public need for a facility like NET's in the region. Their statements are unrebutted and are supported by the evidence currently in the record, Jones V S. at ¶¶ 3-4; Egan V S at ¶¶ 2-4; Ryan V.S. at ¶ 4, and by the Supplemental Verified Statement of Thomas Egan ("Egan Supplemental V.S."), a consultant with over forty years of experience in the rail industry, which is attached hereto as Exhibit G Egan Supplemental V.S. at ¶¶ 5-12

For years, rail infrastructure has been largely neglected in eastern Massachusetts Ryan V.S at ¶ 4, Moore Support Statement (Ex E) at 1, Egan Supplemental V.S. (Ex. G) at ¶ 5; DeMasi Support Statement (Ex B) at 3. Because of skyrocketing real estate values in the Boston metropolitan area, railroads have elected to sell their property instead of investing in the revitalization and redevelopment of existing rail facilities See DeMasi Support Statement (Ex B) at 3; Egan Supplemental V S (Ex. G) at ¶¶ 5-7. Because of the divestment of rail property in

[5] The statements of AIM and of Messrs DeMasi, Owens, Podgurski, and Moore are all part of the public record in this proceeding They are attached hereto as exhibits for the convenience of the Board as it reviews and evaluates the evidence

eastern Massachusetts, rail infrastructure has insufficient capacity to handle current traffic levels. Egan Supplemental V.S. (Ex G) at ¶ 8.

The lack of current rail infrastructure in eastern Massachusetts has led to a decrease in freight rail transportation in the region and an increase in long-haul truck transportation Egan Supplemental V S (Ex G) at ¶¶ 6-8. The environmental problems, and associated costs, caused by significant long-haul truck traffic are undisputed. See, e.g., BRIAN KETCHAM, A COMPARISON OF THE FULL COSTS OF MOVING FREIGHT BY TRUCK COMPARED TO MOVING FREIGHT BY RAILROAD 2-7 (July 1, 2007) ("2007 Ketcham Report") attached as Exhibit H, DeMasi Support Statement (Ex. B) at 3-4; Owens Support Statement (Ex. C) at 2. Because highway traffic has reached the limits of the highway system, a pressing need exists for more rail transportation and infrastructure Comments of Peter J. Shudtz, Vice President, CSX Corp, STB Ex Parte No. 671, at 2 (May 14, 2007) ("CSX Comments) Over time, the need for additional rail capacity will only become more critical as transportation demand grows and highway congestion intensifies. Id

The NET Project was designed with these factors in mind. As described more fully in the NET Petition and the NET Oral Argument Brief, the NET Project has a rail-based history. NET Oral Argument Brief at 37. NET recognized that there was low freight rail penetration into eastern Massachusetts and that there was a shortage of well-located transload facilities in that market Id. NET inquired about the economic feasibility of a new rail-operated transload facility in the region and confirmed with potential shippers the need for a facility to handle certain types of commodities.[6] Id. Since that time, shippers of other commodities have recognized the need for more efficient methods of loading and off-loading to support their

[6] The commodities in which shippers have expressed interest are set forth in the NET Oral Argument Brief at page 37, the March 23 Jones V S and are summarized in the Board's June 29, 2007 Order at 3

transportation needs and the desirability for such a facility to facilitate the freight rail transportation in the region March 23 Jones V.S. at ¶¶ 2-6.

The NET Project will help fill the increasing public need for rail infrastructure and capacity. Specifically, NET will create a new railroad to compete with other modes of transportation in eastern Massachusetts. NET Petition at 5, Jones V.S. at ¶¶ 3-4 NET will rehabilitate existing track that was formerly used to service a chemical manufacturing operation, and construct a new run-through track that will eventually connect the Boston & Maine ("B&M") line to the Massachusetts Bay Transportation Authority ("MBTA") line. NET Petition at 6-8; Graham V.S at ¶ 12 NET will also construct and operate a new intermodal bulk terminal to transport a wide variety of commodities Id at 10-12. The facility is designed for flexibility, so that NET will be able to accommodate and support the transloading and transportation of other commodities, as the market demand arises Ryan V.S at ¶ 3; see, e.g., Comments of Kevin D Kaufman on behalf of BNSF Railway Co., Rail Transportation of Resources Critical to the Nation's Energy Supply, STB Ex Parte No 672 (July 5, 2007)

As NET's supporters have noted, NET will help fill the increasing public need for rail infrastructure by building a much-needed transloading facility in eastern Massachusetts. AIM Support Statement (Ex A) at 1; DeMasi Support Statement (Ex. B) at 4; Tr. of April 19 oral argument at 70. As one other supporter has noted, transloading facilities such as the one proposed by NET serve a critical role in rail infrastructure because they integrate the rail system with other modes of transportation. See Statement of Thomas E Dew, General Counsel of US Rail Corp., STB Finance Docket No 34797, at 2 (Feb 3, 2006) ("US Rail Support Statement"). The NET project will fill a gap in rail infrastructure that larger rail operations fail to fill See Tr of April 19 oral argument at 71-73 By increasing rail investment and infrastructure, the NET

Project will also aid biofuels transportation and national energy security. See Statement of the Department of Agriculture, Rail Transportation of Resources Critical to the Nation's Energy Supply, STB Ex Parte No. 672, at 2, 5-6 (July 12, 2007).

For these reasons, there is a definite need for the new rail transportation service offered by NET.

2. The NET Project is in the public interest and will not unduly harm existing services.

a. The NET Project is in the public interest.

The NET Project will serve the public interest for four main reasons. First, as described in Section 1 above, the NET Project serves the public interest by providing access to the railway system for customers who presently have no economically viable access to any form of transport other than truck The Greater Boston metropolitan area is dramatically underserved by rail transportation. AIM Support Comments (Ex. A) at 1, Ryan V S. at ¶ 4, and NET will provide economic efficient rail transportation service to those who currently have none.

Second, the NET Project serves the public interest by enhancing health and safety. As described in Section 1 above, the NET Project will shift freight from long-haul trucks to rail That will reduce negative environmental effects associated with increased long-haul truck transportation 2007 Ketcham Report (Ex H) at 3-6 Rail transportation is a far more efficient method than trucks for transporting freight. See DeMasi Support Statement (Ex. B) at 4. That fact is undisputed. In fact, on August 4, the U.S. House of Representatives passed a bill that would create a Center for Climate Change and Environment within the Department of Transportation to study how to encourage the use of "more fuel efficient railroads" over "less fuel efficient trucks." H R. 3221, 110th Cong § 8101 (2007) Trucks emit more air pollution than rail transportation, and this air pollution translates into increased health costs 2007

Ketcham Report (Ex. H) at 6-8; Owens Support Statement (Ex. C) at 1. In fact, "[o]n a national average, trucks generate 10 times [the] sooty particulates and hydrocarbons on a per ton per mile basis than rail freight, and almost 3 times the nitric oxides and carbon monoxide." DeMasi Support Statement (Ex B) at 3-4, see also, 2007 Ketcham Report (Ex H) at 6-8. Transporting freight by rail generates less air pollution than trucks and emits fewer greenhouse gases DeMasi Support Statement (Ex B) at 3-4. Owens Support Statement (Ex C) at 1. By expanding rail infrastructure, facilities like NET's will also reduce national dependence on oil. See Owens Support Statement (Ex C) at 2.

Shifting freight transportation away from long-haul trucks and onto rail serves an additional public health and safety purpose — it is safer. Expanded rail infrastructure will decrease highway congestion and promote highway safety. See 2007 Ketcham Report (Ex. H) at 2. Rail transportation has a safety record that is "superior to truck[s] and offers quality-of-life relief to harried commuters bogged down in ever-increasing traffic on a highway system designed for the demands of the last century." CSX Comments at 3.

Third, the NET Project will also advance the public interest by reducing public infrastructure costs 2007 Ketcham Report (Ex. H) at 2-5 Increased transportation of freight by rail will result in less wear and tear on highways. Id.; AIM Support Statement (Ex. A) at 1: DeMasi Support Statement (Ex. B) at 4-5, Owens Support Statement (Ex. C) at 2. Recent events like the Minneapolis bridge collapse highlight the vulnerabilities of heavy reliance on truck transportation, and signal a need to expand our rail transportation capacity. See Nick Timiraos, Aging Infrastructure: How Bad Is It?, WALL STREET JOURNAL, Aug 4, 2007, at A5

Fourth, the NET Project serves the public interest by revitalizing an abandoned industrial brownfield site. AIM Support Statement (Ex. A) at 1. As NET described in the NET Petition

and in the aerial photographs and engineering drawings attached to its Petition, the site on which NET intends to construct its facility and operate its rail lines (the "Property") is abutted by light industrial and commercial establishments. Jones V.S. at ¶ 6. The Town of Woburn's former municipal landfill, which is now used for composting activities, is located directly south of the Property. Id. The Town of Wilmington's current municipal landfill is located about 2,000 feet west of the Property. Id. The nearest residence is located at least 800 feet from the western border of the Property Id NET will redevelop the Property consistent with the Brownfields Revitalization and Environmental Restoration Act of 2001.[7] See NET Consolidated Reply at 14-15. NET has also committed to paying for a portion of the site remediation and facilitating the ongoing remediation efforts of Olin Corporation. NET Petition at 9, 11. Further, NET has repeatedly stated that it will comply with all substantive state and local health and safety regulations See, e.g., NET Petition at 15; Jones V.S. at ¶ 16

An additional public benefit of revitalizing an abandoned industrial site is that NET will create jobs and increase tax revenue. See AIM Support Statement (Ex A) at 1 As a rail carrier, NET will hire crew members to operate the railcars and the transload facility and will employ a rail security force April 19 Jones V.S. at ¶¶ 6-7. It is anticipated that NET will employ approximately 30-40 local workers. August 8 Robert W Jones, III Supplemental Verified Statement at ¶ 4 ("August 8 Jones V.S."), attached hereto as Exhibit I. By creating the facility, NET will also attract businesses to the region March 23 Jones V.S.; see also AIM Support Statement (Ex A) at 1 By revitalizing freight rail transportation in the Boston metro area and

[7] Pub L No 107-118, Title II The Act amends the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) to encourage the redevelopment of brownfield properties to productive use by providing federal liability relief to prospective purchasers of brownfield properties and to persons who undertake cleanups of these properties under state law, and by providing funding both to state brownfield programs and to local governments who seek to revitalize brownfield properties

facilitating the transportation of a wide range of in-bound and out-bound commodities, NET will take advantage of rail's inherent pricing advantage over trucking. Tr of April 19 oral argument at 74-75 As a corporation authorized to do business in Massachusetts, NET will provide Massachusetts with additional revenue in the form of business and income taxes

For all of these reasons, the NET Project is in the public interest.

b. The NET Project will not unduly harm existing rail services.

The NET Project will not harm existing rail services. To the contrary, as described herein, the NET Project will enhance those services by providing additional rail infrastructure that will help railroads compete with long-haul truckers and by providing shippers an additional method of shipping freight. As set forth in the AIM Support Statement (Ex. A) at 1, the DeMasi Support Statement (Ex B) at 2-5, the Moore Support Statement (Ex E) at 1, and the Podgurski Support Statement (Ex D) at 1, and as described in detail in Section 1 above, the NET Project will serve a geographic region that is currently underserved by freight rail The NET Project will increase competition among both rail carriers and carriers of other modes by expanding the rail transportation network. AIM Support Statement (Ex A) at 1, DeMasi Support Statement (Ex. B) at 3-4 As the Board noted in its June 29 Order, one of the very reasons that the NET Project has drawn opposition is because rival businesses do not want more competition. June 29 Order at 1. The NET Project will provide rail competition to truck transportation that will enhance the services that can be provided to shippers in the region.

For these reasons, the NET Project will not harm existing rail services.

3. <u>NET is financially able to undertake the NET Project.</u>

In determining whether an applicant is financially fit to undertake a rail transportation project, the U. S. Court of Appeals for the Eighth Circuit in the Mid States decision laid out several factors that the Board typically considers. These include the following factors: (1) the protection of existing shippers from financial decisions by a carrier that could jeopardize that carrier's ability to fulfill its common carrier obligation to serve the public, (2) whether the project will generate significant net income despite environmental mitigation costs, (3) the infusion of capital to rehabilitate railroad lines and enable long-term operation, and (4) whether the applicant can obtain private sector financing. Mid States, 345 F.3d at 551-552. NET meets these four requirements.

First, NET is a new entrant to the rail transportation business, and will provide new transportation options for existing shippers. The NET Project will have no adverse impact on existing shippers. To the contrary, based on statements of interest expressed to NET, existing shippers want to utilize NET's transportation services, when they become available. See March 23 Jones V.S. at ¶¶ 3-6. Once NET begins its operation as a common carrier by rail, services to shippers in the region will ultimately be enhanced. See AIM Support Statement (Ex. A) at 1.

Second, it is anticipated that NET will generate significant net income despite environmental mitigation costs August 8 Jones V S. (Ex. I) at ¶ 5. As set forth in the NET Petition and in Section 1 above, there is a significant need for the NET Project and the transportation services that NET will provide. See, e g., AIM Support Statement (Ex. A) at 1; DeMasi Support Statement (Ex. B) at 2-5; Owens Support Statement (Ex. C) at 2; Podgurski Support Statement (Ex. D) at 1. In fact, one supporter of the NET Project testified that there is an overwhelming demand for a well-located rail transload facility such as NET's Tr of April 19 oral argument at 70. That testimony is supported by the many shippers that have expressed an

interest in utilizing NET for their transportation needs. March 23 Jones V.S at ¶¶ 3-6. Once the Board grants NET authority to operate, NET will begin to formalize arrangements with its proposed customers Id Based on those expressions of interest, NET expects to earn significant revenues. See, e g., NET Petition at 5: Jones V S. at ¶ 9

It should be noted that all of the remediation costs associated with the Property will be born by the current owner, Olin Corporation, which the federal Environmental Protection Agency ("EPA") has identified as a Responsible Party pursuant to the RI/FS Administrative Settlement Agreement and Order on Consent, dated June 2007. However, as described in Section 2(a) above and as set forth in the NET Petition, NET will assist in environmental remediation efforts at the Property by installing an asphalt cap to cover a DAPL containment area on the Property NET Petition at 9; Graham V.S. at 14-15 NET has included the costs of the cap installation in its business planning NET also understands the Board may condition its approval of the NET Project on NET's compliance with other environmental mitigation measures. NET anticipates that there are significant costs associated with complying with those measures However, both the need for NET's transportation services and the costs of mitigation were considered in calculating the anticipated annual revenues stated in the NET Petition. NET Petition at 5; Jones V.S. at ¶¶ 9, 12; August 8 Jones V.S. (Ex. I) at ¶ 5

Third, the NET Project is anticipated to be financed entirely from sources outside the rail industry. As described in the NET Petition, the four principals of NET are Robert W. Jones, III, Ronald A. Klempner, Jack Lyon, and Carl Jones, each of whom owns a 25% interest in NET. NET Petition at 5, n 6, Jones V.S at 1. NET and its members will provide all financing necessary to construct the tracks and improvements on the site and to conduct the proposed operations, including providing such environmental mitigation measures as are deemed

necessary by the SEA or by the EPA, which has jurisdiction over the clean up and remediation activities that will occur on the Property. The individual members of NET are the sources of the equity contributions to the NET Project, and have committed significant personal resources to assure the construction of the NET Project and its long-term operation. See Verified Statement of Jack Lyon, attached hereto as Exhibit J, Verified Statement of Carl Jones, attached hereto as Exhibit K

Such private financing has been viewed as serving an additional public benefit by providing an infusion of third-party capital into the rail industry Private financing can provide funds for rail infrastructure improvements without diverting existing rail capital from other projects and maintenance work. See ASLRRA Statement at 2-4. Through its infusion of private capital into the rail industry, the NET Project will also increase competition among freight carriers. AIM Support Statement (Ex. A) at 1. This will better serve the public by decreasing costs through more efficient service to shippers. See ASLRRA Statement at 2-4.

Fourth, NET has the ability to obtain commercial financing for the NET Project. It is anticipated that a portion of the project cost would be financed through one or more commercial lending institutions. Each of the individual members of NET has extensive experience in one or more of the railroad industry, the trucking industry, bulk liquids terminal operations, the MSW and C&D industries and environmental compliance. NET Oral Argument Brief at 32. It has been determined that commercial lenders are willing to provide substantial financing to support the NET Project. Verified Statement of Jack Lyon (Ex. J) ¶¶ 7-8; Verified Statement of Carl Jones (Ex. K) at ¶¶ 7-8

For these reasons, and for the additional reasons stated in the NET Petition, the NET Consolidated Reply, the NET Jurisdictional Reply, the March 23 and April 19 Jones Verified

Statements, and the comments filed in support of the NET Project, the Board should grant NET the authority to proceed with the NET Project.

As the Board noted in its June 29 Order, the Board is directed to grant an exemption from the detailed application procedures of Section 10901 if the Board finds that: (1) those procedures are not necessary to carry out the rail transportation policy of 49 U.S.C. Section 10101; and (2) either (a) the proposal is of limited scope or (b) the full regulatory procedures are not necessary to protect shippers from an abuse of market power. 49 U S C. § 10502(a); June 29 Order at 16, n.66. For the reasons set forth in the NET Petition, in the unrebutted Verified Statements filed by NET, and in the statements filed in support of the NET Project, each of these factors is present in the instant case. NET has provided the Board with significant detail about the NET Project, the Project is of limited scope, and because NET is a new entrant, the full regulatory procedures are not necessary to protect shippers from an abuse of market power Accordingly, NET respectfully requests the Board to grant its petition for an exemption from the application requirements of Section 10901.

Respectfully submitted,

Kirk K. Van Tine
J. Patrick Berry
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1299 Pennsylvania Avenue, N.W.
Washington, DC 20004
(202) 639-7700

Attorneys for New England Transrail, LLC

Date August 9, 2007

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of August, 2007, a copy of the foregoing was served, by first class mail, postage prepaid, to each person listed on the STB Service List for Finance Docket No 34797

Jeffrey M Bauer

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34797

New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts

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EXHIBITS

A

AIM
Associated Industries of Massachusetts
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617 262 1180 Fax 617 536 6785
www aimnet org
BRIDGEWATER BURLINGTON HOLYOKE MARLBOROUGH WASHINGTON DC

215616

January 12 2006

The Honorable Vernon A Williams
Secretary
Surface Transportation Board
1925 K Street, N W
Washington DC 20423-0001

Re Document #34797, New England Transrail, LLC

Dear Secretary Williams

As part of the review process for the above-mentioned project, Associated Industries of Massachusetts (A I M) would like to provide the following comments

Established in 1915 A I M is the largest nonprofit, nonpartisan association of Massachusetts employers, representing over 7 600 businesses including the largest businesses and employers in the state, to the smallest entrepreneurial businesses

We are writing to express our support for New England Transrail's (NET) proposed transloading facility in Wilmington, Massachusetts As you know, the NET facility would allow rail-to-truck and truck-to-rail transloading of a wide range of materials including sand, gravel, wood chips plastic resins, food products, soda ash, construction and demolition debris and municipal solid waste

Massachusetts badly needs such facilities to reduce our dependence on high-cost long-haul trucking The Greater Boston metropolitan area is dramatically underserved by rail transportation relative to other major metropolitan areas Better access to rail would lower the high transportation costs borne by our businesses consumers and municipalities, reduce our high costs of highway maintenance and lessen the critical congestion of our roads

The NET facility would have other benefits as well It would revitalize an abandoned industrial site, creating jobs and increasing tax revenue By reducing long-haul truck transportation, it would also contribute to a reduction of air emissions including particulates, hydrocarbons, and other pollutants

The proposed site of the NET facility is ideal It is surrounded by industrial properties, distant from homes and strategically located near two of the Commonwealth's most important highways, Interstates 93 and 95, only eleven miles from Boston

We urge the Surface Transportation Board to expedite its review and approval of this beneficial project

Sincerely,

Robert A Rio

Robert A Rio Esq
Vice President
Government Affairs

RAR gm

CERTIFICATE OF SERVICE

I do hereby certify that on this 18 day of January, 2006, I served a copy of the foregoing comments of Associated Industries of Massachusetts in support of New England Transrail's Petition for Exemption by causing a copy to be delivered by first class mail, postage prepaid, to.

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Mr Robert A Rio, Esq
Associated Industries of Massachusetts
222 Berkeley Street
P.O Box 763
Boston, MA 02117-0763

Jeffrey M Bauer

DOCS1 434561 2

B

BEFORE THE
SURFACE TRANSPORATION BOARD

FINANCE DOCKET NO. 34797

COMMENTS OF FRANK S DEMASI, DEFENSE ACQUISITION PROFESSIONAL (RETIRED 2002) FORMERLY ASSIGNED AS SUPERVISORY INDUSTRIAL SPECIALIST DEFESE CONTRACT MANAGEMENT AGENCY AT DISTRICT EAST 495 SUMMER STREET BOSTON MASSACHUSETTS ON THE NEW ENGLAND TRANSRAIL, LLC D/B/A WILMINGTON & WOBURN RAILWAY– PETITION FOR AN EXEMPTION FROM 49 U S.C SECTION 10901 TO ACQUIRE, CONSTRUCT AND OPERATE AS A RAIL CARRIER ON TRACKS AND LAND IN WILMINGTON AND WOBURN, MASSACHUSETTS

FRANK S DE MASI
26 MACARTHUR ROAD
WELLESLEY, MA 02482

January 11, 2005

The Honorable Vernon A Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D C. 20423-0001

Re: Formal Comments by Frank S. DeMasi, 26 MacArthur Road Wellesley MA 02482
New England Transrail, LLC d/b/a Wilmington & Woburn Railway--Petition for an Exemption from 49 U S.C. Section 10901 To Acquire, Construct and Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts
FD-34797

Dear Secretary Williams.

Enclosed please find my comments on the New England Transrail, LLC d/b/a Wilmington & Woburn Railway--Petition for an Exemption from 49 U.S C. Section 10901 To Acquire, Construct and Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts, Finance Docket No 34797

I am a Defense Acquisition Professional (RETIRED 2002) formerly assigned as supervisory Industrial Specialist, Defense Contract Management Agency at District East 495 Summer Street Boston Massachusetts, and also a member of the Regional Transportation Advisory Council (RTAC) Freight Committee and follow and advocate for freight transportation issues through that venue I am making these comments, however, in my [personal capacity] as an informed freight transportation advocate and concerned citizen of the Commonwealth of Massachusetts for its declining industrial and rail freight transportation infrastructure

Please note that the following also has some bearing on and is also being submitted to be considered as part of your deliberations on the Declaratory Order, National Solid Waste Management Association, et al, Finance Docket Number 34776

Sincerely,

Frank S DeMasi

BEFORE THE
SURFACE TRANSPORATION BOARD

FINANCE DOCKET NO. 34797

COMMENTS OF FRANK S. DEMASI, DEFENSE ACQUISITION PROFESSIONAL (RETIRED 2001) FORMERLY ASSIGNED AS SUPERVISORY INDUSTRIAL SPECIALIST DEFESE CONTRACT MANAGEMENT AGENCY AT DISTRICT EAST 495 SUMMER STREET BOSTON MASSACHUSETTS ON THE NEW ENGLAND TRANSRAIL, LLC D/B/A WILMINGTON & WOBURN RAILWAY--PETITION FOR AN EXEMPTION FROM 49 U S C SECTION 10901 TO ACQUIRE, CONSTRUCT AND OPERATE AS A RAIL CARRIER ON TRACKS AND LAND IN WILMINGTON AND WOBURN, MASSACHUSETTS

Frank S DeMasi, (BS Mechanical Engineering, Department of Defense Certified Acquisition Professional, Logistics and Manufacturing – retired 2002) at the interest in enhancing efficient modes of freight transportation which minimize environmental and economic impacts in the region submits the following comments to the Surface Transportation Board (STB) in connection with the New England Transrail, LLC d/b/a Wilmington & Woburn Railway--Petition for an Exemption from 49 U S C Section 10901 To Acquire, Construct and Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts These comments have some bearing on and are being submitted to be considered in connection with the Petition of the National Solid Waste Management Association (NSWMA), et al., for a Declaratory Order, Finance Docket No. 34776 filed on October 27, 2005

Since retiring from a 34 year successful career as a Department of Defense Certified Acquisition Professional I have exercised my interest and advanced my knowledge in and advocating for enhancing efficient modes of freight transportation to minimize environmental, national security, emergency response preparedness, and economic impacts in the region by volunteering as the Town of Wellesley Massachusetts Representative to and Freight Committee Co-Chairman of the Regional Transportation Advisory Council for the Boston MPO in Eastern Massachusetts. I have also provided testimony supporting freight rail at several state transportation hearings of the Massachusetts Legislature's Joint Transportation Committee, Executive Office of Transportation State Transportation Plan, and Massachusetts Transportation Finance Commission Formerly I was a Managing Production Engineer, Logistics Specialist Manager, Administrative Contracting Officer, and Chief of the Contract Administration Office, Defense Contract Management Agency at 495

Summer Street, Boston Massachusetts, where I managed specialized Transportation Personnel involved in arranging freight transportation of a wide range of goods and materials for the Armed Services in the Department of Defense. These activities involved me in the management of all modes of freight transport including sea, rail, truck and air. The rapid decline of freight rail capability, performance, and access, in the Boston Metro Region became vividly apparent to me during my administration of production contracts with the Department of Defense contactors in our area of responsibility in Massachusetts and New England Contractors under my unit's surveillance and support were engaged in receiving and shipping millions of dollars of goods and materials to and from Massachusetts and New England Beginning in the 1990's until my retirement from the Defense Department in 2002 virtually all of the freight moved on Government Bills of Lading via rail and sea were shifted from and transported by truck because of the lack of adequate rail and port infrastructure and service in that region

The subsidized advent of the interstate highway system over the last half-century contributed to the decline of railroad freight transportation, in general In particular, railroads, which owned extensive parcels of land in Eastern Massachusetts used for transfer terminals and other support functions, with skyrocketing real estate values in the Boston metropolitan area saw greater profits in selling off these parcels for real estate development than in their transportation functions These sales eventually hindered the railroads' ability to transfer freight between rails and trucks for local deliveries, which furthered the decline in rail freight This trend continues with the current commercial/retail/residential development of a vital former Boston and Maine (now Guilford Industries) Rail Yard across from downtown Boston in Somerville, Massachusetts, abandonment of the Mystic Warf Branch Rail connections to the docks and terminals located on the Mystic River and Chelsea Creek and the sale of land occupied by the Beacon Park Rail Yard (CSX) at Allston (Boston) Massachusetts for institutional development by Harvard University, which will limit the transfer functions of that yard

The Federal Highway Administration projects that if we do not change our transportation system freight transported by long haul truck will increase 66% in the next dozen years over Massachusetts' already congested levels as measured in 1998 On a national average, trucks generate 10 times sooty particulates and hydrocarbons on a per ton per mile basis than rail freight, and almost 3 times the nitric oxides and carbon

monoxide Based on data compiled by the US EPA and American Association of State Highway and Transportation Officials, the health impact costs from medical bills and loss of earnings due to illness or premature death from this increased source of air pollution from long-haul trucking based on 1997 dollars equals 2 ½ cents per ton for each 10-miles traveled Assuming that on average a long-haul truck traveling to or from Massachusetts hauls 20 tons of freight that equates to a hidden cost of 5 cents per mile borne by the Massachusetts residents.

Other hidden costs of long haul trucking are. pavement wear and tear, 18 cents per mile; congestion costs, 5 cents; accident costs, 27 cents; excess user costs, 8 ½ cents; and noise impacts, 8 ½ cents These costs are based on constant highway driving and average national conditions, and do not take into account the higher costs encountered in eastern Massachusetts with greater stop-and-go traffic which increase air pollution, more overpasses and elevated roadways which increases pavement wear and tear, and higher construction and labor costs.

If we are not to suffer greater air pollution, larger hidden costs borne by all of us, and reduced quality of life from time-consuming congestion, we must foster changes to our freight transportation system A critical aspect for the revitalization of rail freight in the Boston metropolitan area as part of a healthy and robust national rail freight system is development of rail terminals necessary to allow an interface between long-haul rail transportation to transload freight for local truck deliveries or pick ups to serve local markets

NET's proposed development of a rail freight terminal in Wilmington, Massachusetts is the type of facility which will be required to revitalize rail freight transportation in the Boston metropolitan area The Wilmington terminal will handle a wide range of in-bound and out-bound products and materials, from lumber, steel, paper and other bulk commodities inbound. Since eastern Massachusetts' major export is waste products, waste will be a major component of the terminal's outbound freight Vested interests in the solid waste industry, with businesses tied to long-haul trucking or local garbage burning incinerators has opposed the Wilmington project for fear that it will undercut their markets and pricing Rail freight presents an overwhelming pricing advantage over trucking because of rail's inherent transportation efficiencies, and will save Massachusetts and its municipalities tens of millions of dollars per year in waste disposal costs; and will save Massachusetts, its

municipalities and residents even more money from reduced impacts from air pollution, congestion, highway accidents, excess user costs, pavement wear and tear, and noise

Provided that a rail facility follows the appropriate health and safety rules and regulations which are enforced in a non-discriminatory manner and which do not unduly impede rail transportation, there is no legitimate policy or legal reason to differentiate between transloading of solid waste and other commodities, and, based on this proviso, the STB must not make exclude transloading of solid waste from its exclusive jurisdiction

Consequently, to enhance freight transportation, in general, and national security and emergency response preparedness, in particular, the STB should grant NET's Petition expeditiously

Respectively submitted,

Frank S. DeMasi

Frank S DeMasi

CERTIFICATE OF SERVICE

I do hereby certify that on this 26 day of January, 2006, I served a copy of the foregoing comments of Mr. Frank S. DeMasi in support of New England Transrail's Petition for Exemption by causing a copy to be delivered by first class mail, postage prepaid, to

James R Miceli
Commonwealth Of Massachusetts
Room 167, State House
Boston, MA 02133-1054

Patrick John Cane
Mercer County Improvement Authority
640 S Broad St
Trenton, NJ 08650

Stephen M Richmond
Beveridge & Diamond, P.C
45 William Street, Suite 120
Wellsley, MA 02481

Susan P. Ruch
Massachusetts Department Of
Environmental Protection Northeast Regional Office
205B Lowell Street
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Daniel R. Deutsch
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99 Summer Street
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Arthur G. Mansilia
United Tool & Die Co., Inc.
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M. Barbara Sullivan
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Robert A. Rio
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Deborah L. Duggan
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900 Victors Way - Suite 300
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Nyjah Wyche, Project Coordinator
Health Education and Learning Program for Black Males Health
University of Massachusetts, Boston
100 Morrissey Blvd
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P. Christopher Podgurski
Podgurski Corp.
8 Springfield Ave
Canton, MA 02021-3205

Frank S. DeMasi
26 MacArthur Road
Wellesley, MA 02482

Hon. John W. Carrington, Sr.
The M.W Grand Master of
The Most Worshipful Hiram Grand Lodge A.F. & A.M., Inc
Bay State Grand Chapter
Youth Development Center
98 Talbot Avenue
Dorchester, MA 02124

Senator Bill Owens (Ret.)
115 Hazelton Street
Mattapan, MA 02121

Arthur Williams, Chairman
Structural Committee
National Black Agenda Convention, Inc.
P.O. Box 366211
Boston, MA 02136-9998

J. Patrick Berry

C

SENATOR BILL OWENS (Ret)
115 Hazelton Street
Mattapan, Ma 02121

January 23, 2006

Vernon Williams, Secretary
United States Surface Transportation Board
1925 K Street, NW
Washington, D C 20423

Re. New England Transrail, LLC

Dear Chairman Williams

This letter is to express my strong support for the New England Transrail, (NET) facility proposed transload operation in Wilmington, Massachusetts I am the former Senator (retired) for the Second Suffolk Senatorial District and I represented a large part of Boston, Massachusetts and the majority of the community of color

New England Transrail, LLC's efforts to increase rail transportation into New England Should be strongly supported in an expeditious manner by the Surface Transportation Board. As a minority–owned entity, NET represents an excellent opportunity to further African-American interests in an industry in which they have been severely underrepresented.

Furthermore, the environmental benefits of rail transportation over long-haul freight trucking is well documented Pollution impacts from long-haul freight trucks fall disproportionately on minority communities which are the locations of some of the most congested portions on the interstate road system serving New England Projects such as NET's which will divert trucks from these congested roadways onto our rail system should be encouraged.

I am a non-smoker who has asthma and other pollutant effected health conditions. The people and community who I represented and continue to deal with have a significantly higher rate of diseases including, asthma, lung and other cancer, high blood pressure, stroke and heart disease The areas of our community that have a higher exposure to diesel fuel pollutants, truck noises, etc are the same areas that have excessively higher rates of the ailments listed above and more.

It is Imperative to me that we improve our environment We can not afford to continue to have large trucks pollute our environment because of the use of lethal fossil fuels. Furthermore, with the high price of gasoline, the most cost saving device that I can think of to transport contaminants and solid waste would be rail transportation and we will reduce the exposure of our population to pollutants from diesel

Telephone (617) 296-8568 Fax (617) 296-5836

Not only will NET's project help our community, but it will improve air quality, lower road congestion and government repair and maintenance costs and increase highway safety. This will also contribute to the reduction of America's dependence on foreign oil.

Facilities like the New England Transrail proposed transload operation in Wilmington, Massachusetts is typical of the type of project needed to foster such beneficial transportation policy As just one example the scope of its beneficial environmental impact, this one project could reduce diesel fuel dependency by over a million gallons annually.

I strongly support the NET proposal to transport contaminants by rail so that our inner cities can be free of pollutants. I urge you to give this project prompt and expeditious consideration and approval

Sincerely,

Bill Owens

Bill Owens
State Senator, (Ret.)

CERTIFICATE OF SERVICE

I do hereby certify that on this 26 day of January, 2006, I served a copy of the foregoing comments of Senator Bill Owens in support of New England Transrail's Petition for Exemption by causing a copy to be delivered by first class mail, postage prepaid, to·

James R Miceli
Commonwealth Of Massachusetts
Room 167, State House
Boston, MA 02133-1054

Patrick John Cane
Mercer County Improvement Authority
640 S Broad St
Trenton, NJ 08650

Stephen M. Richmond
Beveridge & Diamond, P.C.
45 William Street, Suite 120
Wellsley, MA 02481

Susan P. Ruch
Massachusetts Department Of
Environmental Protection Northeast Regional Office
205B Lowell Street
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11 Hillcrest Street
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Thomas E. Dew
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900 Victors Way - Suite 300
Ann Arbor, MI 48108-2705

Nyjah Wyche, Project Coordinator
Health Education and Learning Program for Black Males Health
University of Massachusetts, Boston
100 Morrissey Blvd.
Boston, MA 02125-3393

P. Christopher Podgurski
Podgurski Corp.
8 Springfield Ave.
Canton, MA 02021-3205

Frank S. DeMasi
26 MacArthur Road
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Senator Bill Owens (Ret.)
115 Hazelton Street
Mattapan, MA 02121

Arthur Williams, Chairman
Structural Committee
National Black Agenda Convention, Inc
P.O. Box 366211
Boston, MA 02136-9998

J. Patrick Berry

D

January 11, 2006

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 k Street, N.W.
Washington, D.C. 20423-0001

Re: Formal Comments by Pl. Christopher Podgurski, 8 Springdale Avenue, Canton, MA 02021
New England TRansrail, LLC d/b/a Wilmington & Woburn Railway—Petition for an Exemption from 49 USC Section 10901 To Acquire, Construct and Operate As A Rail Carrier On Tracks and Land in Wilmington and Woburn, Massachusetts
FD-34797

Dear Secretary Williams:

Enclosed please find my comments on the New England Transrail, LLC d/b/a Wilmington & Woburn Railway—Petition for an Exemption from 49 USC Section 10901 To Acquire, Construct and Operate As A Rail Carrier On Tracks and Land in Wilmington and Woburn, Massachusetts, Finance Docket No. 34797.

I am a member of the Regional Transportation Advisory Council (RTAC) Freight Committee and follow and advocate for freight transportation issues through that venue. I am making these comments, however, my personal capacity as an informed freight transportation advocate and concerned citizen of the Commonwealth of Massachusetts for its declining industrial and rail freight transportation infrastructure.

Because of the need to improve freight transportation, in general, and rail freight, in particular, serving Eastern Massachusetts, I have excersized my advocacy by joining the RTAC Freight Committee. Because of years of contraction and neglect of the rail infrastructure in Eastern Massachusetts, our region lags behind the rest of the nation in revitalization of rail freight transportation. In our committee we have reviewed the arguments for and against the facility being proposed by NET, and I have determined that it can play an important step in creating new rail infrastructure for our region without the negative impacts that some of its truck based competitors and local town interests have claimed. Consequently, I strongly endorse the comments submitted to the Board by Frank S. DeMasi, who also has excersized his advocacy for freight rail improvements through his testifying in support of freight rail at related state transportation hearings past experience as a former Department of Defense Acquisition Professional, and membership as Co-Chairman of the Freight Committee of the RTAC.

Sincerely,

P. Christopher Podgurski

CERTIFICATE OF SERVICE

I do hereby certify that on this 26 day of January, 2006, I served a copy of the foregoing comments of Mr. P. Christopher Podgurski *in support of New England Transrail's* Petition for Exemption by causing a copy to be delivered by first class mail, postage prepaid, to:

James R Miceli
Commonwealth Of Massachusetts
Room 167, State House
Boston, MA 02133-1054

Patrick John Cane
Mercer County Improvement Authority
640 S Broad St
Trenton, NJ 08650

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P O. Box 366211
Boston, MA 02136-9998

J. Patrick Berry

E

January 24 2006

The Honorable Vernon A Williams
Secretary
Surface Transportation Board
1925 K Street N W
Washington, D C 20423-0001

Re Formal Comments by Fred R Moore, 6 Ella Street, Saugus, Massachusetts
New England Transrail, LLC d/b/a Wilmington & Woburn Railway--Petition for an Exemption from 49 U S C. Section 10901 To Acquire, Construct and Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts
FD-34797

Dear Secretary Williams,

Enclosed please find my comments on the New England Transrail, LLC d/b/a Wilmington & Woburn Railway--Petition for an Exemption from 49 U S C Section 10901 To Acquire, Construct and Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts, Finance Docket No 34797

I the President of the Association for Public Transportation (APT) and a member of the Regional Transportation Advisory Council (RTAC) Freight Committee and follow and advocate for freight transportation issues through those venues I am making these comments, however, in my personal capacity as an informed freight transportation advocate, incumbent Town of Saugus meeting representitave, and concerned citizen of the Commonwealth of Massachusetts for its declining industrial and rail freight transportation infrastructure

Because of years of contraction and neglect of the rail infrastructure in Eastern Massachusetts, our region lags behind the rest of the nation in revitalization of rail freight transportation In our committee we have reviewed the arguments for and against the facility being proposed by NET, and I have determined that it can play an important step in creating new rail infrastructure for our region without the negative impacts that some of its truck based competitors and local town interests have claimed Consequently, I strongly endorse the comments submitted to the Board by Frank S. DeMasi, who also has executed his personal advocacy for freight rail improvements through his testifying in support of freight rail at related state transportation hearings, past experience as a former Department of Defense Acquisition Professional, and membership as Cochairman of the Freight Committee of the RTAC

Sincerely,

CERTIFICATE OF SERVICE

I do hereby certify that on this 27 day of January, 2006, I served a copy of the foregoing comments of Fred R Moore in support of New England Transrail's Petition for Exemption by causing a copy to be delivered by first class mail, postage prepaid, to:

James R Miceli
Commonwealth Of Massachusetts
Room 167, State House
Boston, MA 02133-1054

Patrick John Cane
Mercer County Improvement Authority
640 S Broad St
Trenton, NJ 08650

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Arthur Williams, Chairman
Structural Committee
National Black Agenda Convention, Inc.
P O Box 366211
Boston, MA 02136-9998

Fred R Moore
6 Ella Street
Saugus, MA 01906

J Patrick Berry

F

215977

Waterbury Regional Chamber

March 3, 2006

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

ENTERED
Office of Proceedings
MAR 13 2006
Part of
Public Record

Re: Comments by Stephen R. Sasala, II, President & CEO, Waterbury Regional Chamber, 83 Bank Street, P.O. Box 1469, Waterbury, CT 06721 on the New England Transrail, LLC D/b/a Wilmington & Woburn Railway--Petition for an Exemption from 49 U.S.C. Section 10901 To Acquire, Construct and Operate As a Rail Carrier on Tracks and Land In Wilmington and Woburn, Massachusetts FD-34797

Dear Secretary Williams:

Enclosed please find my comments on the New England Transrail, LLC d/b/a Wilmington & Woburn Railway--Petition for an Exemption from 49 U.S.C. Section 10901 to Acquire, Construct and Operate As A Rail Carrier on Tracks and Land in Wilmington and Woburn, Massachusetts, Finance Docket No. 34797.

As the President & CEO of the Waterbury Regional Chamber, a business advocacy organization with over 1100 members, we are making these comments because of our strong interest in reducing the economic, social and environmental impacts from long-haul freight trucks destined for Eastern Massachusetts on Connecticut's highways

Because of years of contraction and neglect of the rail infrastructure in Eastern Massachusetts, our region lags behind the rest of the nation in revitalization of rail freight transportation.

The Federal Highway Administration projects that if we do not change our transportation system freight transported by long haul truck will increase 66% in the next dozen years over Connecticut's already congested levels as measured in 1998. The planned decade long repair project for the Quinnepiac River Bridge at the intersection of I-95 and I-91 will lead to even a greater diversion of long-haul truck traffic through the I-84 corridor passing directly through Connecticut's central Waterbury and Hartford region.

On a national average, trucks generate 10 times sooty particulates and hydrocarbons on a per ton per mile basis than rail freight, and almost 3 times the nitric oxides and carbon monoxide. Based on data compiled by the US EPA and American Association of State Highway and Transportation Officials, the health impact costs from medical bills and loss of earnings due to illness or premature death from this increased source of air pollution from long-haul trucking based on 1997 dollars equals 2 ½ cents per ton for each 10-miles traveled. Assuming that on average a long-haul truck traveling to or from eastern Massachusetts hauls 20 tons of freight, that equates to a hidden cost of 5 cents per mile borne by the Connecticut residents.

83 Bank Street • PO Box 1469 • Waterbury, CT 06721
Tel 203 757 0701 • Fax 203 756 3507 • www.waterburychamber.com

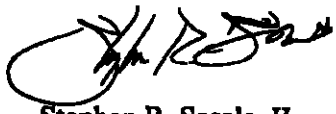
Other hidden costs of long haul trucking are: pavement wear and tear, 18 cents per mile; congestion costs, 5 cents; accident costs, 27 cents; excess user costs, 8 ½ cents, and noise impacts, 8 ½ cents. These costs are based on constant highway driving and average national conditions, and do not take into account the higher costs encountered in the congested central Connecticut region with greater stop-and-go traffic which increase air pollution, more overpasses and elevated roadways which increases pavement wear and tear, and higher construction and labor costs.

If we are not to suffer greater air pollution, larger hidden costs borne by all of us, and reduced quality of life from time-consuming congestion, we must foster changes to our freight transportation system. A critical aspect for the revitalization of rail freight in the Boston metropolitan area as part of a healthy and robust national rail freight system is development of rail terminals necessary to allow an interface between long-haul rail transportation to transload freight for local truck deliveries or pick ups to serve local markets.

NET's proposed development of a rail freight terminal in Wilmington, Massachusetts is the type of facility which will be required to revitalize rail freight transportation in the Boston metropolitan area moving materials as diverse as lumber, salt, sand & gravel and steel eastbound to waste and wood chips westbound. We understand that local NIMBY interests and vested business interests with ties to the trucking industry have opposed this development. We urge the Board to take into account the broad downstream impacts on millions of Connecticut residents and businesses caused by the lack of adequate rail transload facilities serving the Boston metropolitan area, and approve the NET facility. Delays in approval of this facility will only perpetuate the impacts of long-haul trucking through Connecticut.

Consequently, the STB should grant NET's Petition expeditiously.

Sincerely,



Stephen R. Sasala, II
President & CEO

c: Robert Varney
Regional Administrator
United States Environmental Protection Agency
Region 1
One Congress Street
Boston, MA 02114-2023

Ronald Klempner
Managing Director
New England Transrail, LLC
843 Red Road
Teaneck, NJ 07666

G

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34797

New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts

---

Verified Statement of
Thomas J. Egan

1 My name is Thomas J. Egan, and my business address is 227 Hersey Street, Hingham, Massachusetts 02043.

2. I have over 42 years experience in the rail industry, including experience in Class I railroad mechanical departments, operations departments, inter-carrier agreements, government relations, sales, marketing, and service design.

3 Currently, I am the principal of Egan Consulting Group, an independent consultant to the rail industry and others on transportation-related matters.

4. My practice includes clients who transport large quantities of various commodities over significant distances These products include agricultural products, ethanol, dried distillers' grains, waste products, manufactured goods, lumber, steel, and other construction materials.

5. Over my career, I witnessed the decline of rail transportation from the 1960s through the 1980s During this time, a large base of rail transloading and consolidation facilities were closed and converted to other uses.

6. The conversion of certain commodities, like food products, from rail direct movements to intermodal movements also led to the replacement of freight car transfer facilities

with intermodal yards. This replacement also reduced the number and utility of rail transloading facilities

7. In the 1970's the greater Boston area had facilities located throughout the region where products were transferred between rails and trucks. However, many railroads sold such facilities during the decline in rail transportation because the land was more valuable as real estate for development.

8. Now rail infrastructure has insufficient capacity to handle the current traffic levels.

9. Transportation economics also favors rail transportation over truck transportation for long haul movements of certain commodities because of rail transportation's inherent efficiencies, and the rising cost of fuel.

10. Consequently, there is a great need for a facility such as New England Transrail ("NET") proposes.

11. NET's project will provide needed rail infrastructure, and an efficient way to load and unload cargo in a small area While not all commodities would logically flow through such a facility, denser, heavy commodities would migrate to such a solution

12. NET's facility will also allow the role rail plays in transportation in New England to expand by adding to current rail infrastructure.

13. Expanded use of rail transportation will not only expand competition among carriers and provide better service to shippers, it will also reduce the negative effects of other forms of transportation on air quality and highway maintenance and congestion.

Respectfully submitted,

Thomas J Egan

VERIFICATION

I, Thomas J. Egan, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement

Executed on August 9, 2007.

Thomas J. Egan

H

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A Comparison of the Full Costs of Moving Freight by Truck Compared to Moving Freight by Railroad

Prepared by Brian T. Ketcham, P.E., July 30, 2007

Introduction

This report compares the full cost of moving freight approximately 750 miles by rail versus by tractor-trailer truck. These costs are of two types: the direct cost assessed by the freight hauler, rail or truck, plus the externality costs imposed by each action External costs include congestion imposed on other motorists who suffer additional delay and lost productivity, accident costs that grow in proportion to travel, much of which is not covered by insurance and environmental damages, both to human health and to the physical environment These costs differ substantial depending on the mode of travel chosen.

The report is broken into several parts: 1) the direct cost of freight movement, rail versus truck; 2) the resulting costs to the public, and 3) the comparative emissions from each mode The report assumes that freight is moved a total of 750 miles to various parts of the nation (within a 750 mile radius from Boston), with trucks moving 20 tons per tractor-trailer and rail moving 100 tons per rail car *All estimates are projected to the year 2010*

Direct Cost to Move Freight

The cost to move freight by rail a distance of 750 miles ranges between $2,000 and $4,000 per rail car depending on the commodity moved. At 100 tons per rail car, this works out to between $20 and $40 per ton, again for a distance of 750 miles This compares to approximately $2,400 for a tractor-trailer truck moving 20 tons of freight 750 miles and returning empty, for a cost per ton of $120. So, right off the top, there is a savings of approximately 67% to 83% for using railroad services for moving freight long distances.

The Hidden Costs of Moving Freight

The remainder of this report focuses on the external costs of moving freight by rail versus by tractor-trailer truck The externality cost analysis is then augmented by estimating the energy costs and the vehicular emissions generated by moving 2,500 tons per day of freight six days a week, 52 weeks a year using rail services versus trucking

Costs to the Public

Transport costs dictate how far and by which modes freight can be transported. The decision on how far to haul freight by truck generally accounts for only the direct costs of transport, such as labor, equipment depreciation, maintenance, fuel, tolls and road taxes Such accounting

generally omits the societal cost of pollution, pavement damage, congestion and accidents Both trucks and rail contribute to environmental damage and accident costs borne by society at large In addition, trucks contribute to pavement wear and tear, excess user costs and congestion losses For example, it is estimated that each heavy truck creates as much damage to highways and bridges as nearly 8,000 automobiles

While it is recognized that externality costs vary according to economic and locational conditions, the externality costs presented here are based on national averages estimated for 2010 The following table summarizes these costs on the basis of $'s per ton-mile of vehicle travel assuming trucks move 20 tons of freight and rail 100 tons per 60 foot rail car

Table 1. Cost per Ton-Mile of Vehicle Travel (Loaded)

	RAIL CAR	TRUCK
Pavement Wear & Tear	**$0.00**	**$0.0108**
Excess User Costs	**$0.00**	**$0.0051**
Congestion Costs	**$0.00**	**$0.0030**
Air Pollution	**$0.00060**	**$0.0030**
Noise Impacts	**$0.00120**	**$0.0051**
Accident Costs	**$0.00048**	**$0.0165**

- Pavement Wear and Damage Pavement wear and damage to roadway surfaces is caused largely by the repeated passage of heavy vehicles. Wear and damage to pavement depends upon the axle loads imposed by the vehicle, the frequency at which heavy loads are imposed, the strength of the pavement, and the length of time damage goes un-repaired Heavy trucks have a much greater impact than lighter vehicles because pavement wear increases exponentially with increasing axle weights. Rail transport does not contribute directly to pavement wear and damage
- User Costs. Reduced pavement quality increases costs to all highway users by increasing vehicle wear, operating costs, accidents and discomfort. Because the pavement repair generally occurs months, if not years, after the time of damage, user costs accumulate quickly over time. Again, rail transport does not contribute directly to increased user costs.
- Congestion. Congestion results from the demand for space by individual users operating on roads with limited capacity. Costs of congestion quantified by the Federal Highway Administration occur in the form of excess travel time, additional vehicle operating costs and increased damage and injury from accidents among vehicles. Rail transport does not contribute to the increased costs associated with highway congestion.
- Accidents. Highway and railway accidents cause personal injuries and property damage and result in significant cost to individuals and to society The societal costs of accidents take the form of increased costs for health insurance and contribute to financially unstable hospitals due to incomplete reimbursements and the cost of supporting the medical infrastructure Other societal costs often overlooked are productivity and property loses. The overwhelming majority of roadway accidents occurring each year do not result in personal injury, but do result in property damage Costs associated with personal injury and productivity loss account for the majority of total roadway accident costs.

- Pollution. Noise, air and water pollution are costs to society resulting from vehicle use, even though dollar amounts are not apparent in public budgets. Prevention or control costs sometimes appear as expenditures, but these are only weakly related to damage costs Externalities created by truck and rail transport result in problems of both efficiency and equity.

    - Noise Pollution. Sources of highway noise include tires moving over pavement, engine exhaust, operation of engines and related equipment, friction of brake pads on discs, air brake operation, transmission and drive train friction, horns and alarms Similar noise occurs with rail operation due to similar activities and sources of noise (for example, steel wheel against steel rail).
    - Air Pollution. The Federal Highway Administration and the U.S. Environmental Protection Administration have estimated damage to human health (mortality and morbidity), to materials (soiling and physical deterioration), and to vegetation from vehicle-related air pollution. Health impact costs include medical bills and loss of earnings due to illness or premature death. Damage to materials is based on deterioration of properties and aggregate damage estimates for different kinds of materials. Total costs are allocated to the different pollutants.
    - Water Pollution. Asbestos, particulates, road salts and petroleum residuals are among the water pollutants with highway usage origins. Non-point source run-off is regarded as the major uncontrolled contributor to water pollution. Rail operations are assumed to produce little water pollution impact Water pollution costs are not estimated for this analysis for either mode.

Societal cost factors for freight movement by truck and rail vary greatly and are not well documented, especially for railroad impacts The dollar costs listed above were derived from a number of publications: The *1997 Federal Highway Cost Allocation Study* prepared by the Federal Highway Administration, U.S. Department of Transportation and published in August 1997 (which focuses on heavy trucks) and *Transportation Cost and Benefit Analysis, Techniques, Estimates and Implications*, prepared and continuously updated by the Victoria Transport Policy Institute (VTPI), www.vtpi.org/tca/. VTPI has summarized virtually the entire universe of available data, has prepared models available over the internet for estimating these costs and is the most valuable resource available for this purpose. Unfortunately, it has not focused much of its attention on freight movement. Nevertheless, sufficient data is available to make an informed comparison of the externality costs of truck and rail modes of freight transport.

Estimating Externality Costs

Externality costs of moving freight are based on the annual vehicle mileage imposed on the existing transport system from the proposed action. As noted above, cost factors have been estimated by various economists for various externality costs for vehicular travel These factors are in the form of the dollar cost of various externalities per mile of travel. The real challenge, therefore, is to estimate the additional vehicular travel by location and mode and, for trucking, by roadway type. It is then a simple matter of multiplying a cost factor by total travel to get the cost for various externalities. In this report, externality costs are limited to pavement damage from heavy trucks, the resulting additional user costs (mostly costs borne by passenger car owners)

from the damage done to roads by heavy trucks, congestion costs and accident losses and environmental damages, all described above.

Figure 1 is a map of the northeast showing the major highways within a 750 mile radius of Boston An analysis of this map reveals that travel from Boston to points west and south involve some travel through metropolitan areas For the I-95 corridor along the East Coast, approximately 15% of travel is through or near an urbanized area. Other routes to the southwest along I-78 and I-81 encounter fewer urbanized areas; just 9% for this corridor. An analysis of a number of routes reveals that truckers would encounter, on average, about 11% of their travel through urbanized areas. The rest, 89%, is assumed to occur in rural areas with little congestion losses. This analysis conservatively assumes all externality cost factors are for rural areas. (see below and calculation sheets in the Appendix)

FIGURE 1. 750 MILE RADIUS FROM BOSTON

Because so little research has been completed on the external costs of railroad activity, we have been limited to estimating the externality costs of air pollution, noise and accidents in the rail freight industry. It is assumed that railroad service does not contribute to pavement wear and tear, other motorist's user costs and vehicular congestion, all costs associated with heavy truck use

Two scenarios have been analyzed, each moving 2,500 tons of freight a day. The first assumed 125 daily tractor-trailer trips compared to the alternative of using rail service in 25 railroad cars. This assumes that a tractor-trailer can move 20 tons of material and that a railroad boxcar can move 100 tons An analysis of available data suggests these loads are optimistically high and

that the average load for a tractor-trailer operating on U.S roads is 8.9 tons and that the average load for a rail car is 64 tons. Both scenarios have been analyzed in this report

Table 2 summarizes the resulting externality costs for moving freight by rail and truck. It assumes the movement of 2,500 tons of freight per day, six days a week, 750 miles distance and a return trip empty for both rail and truck. Assuming 100 tons per rail car and 20 tons net for a tractor-trailer rig, the total annual external cost of moving freight by rail is $4.9 million or $6 32 per ton versus $89 3 million in externality costs for trucking, or $114 per ton moved. Assuming one can get 100 tons in a rail car and move 20 tons by truck, the external costs of trucking are 18 times as high as for rail The backup calculation sheets for these estimates are included in the Appendix.

Table 2 also reports the costs for average load factors, 64 tons per rail car and approximately 9 tons per tractor-trailer rig. In order to move 2,500 tons per day, 56% more rail cars would be needed and 2.25 times as many tractor-trailer rigs would be needed. Externality costs would increase proportionately: to $7 7 million for rail (or $9 87 per ton) versus $199 million for trucking (or $254 per ton). With lower average load levels, the relative external cost for moving freight by truck increases to nearly 26 times that for rail.

TABLE 2 EXTERNALITY COSTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

BASELINE ASSUMPTIONS, 100 TONS PER RAIL CAR, 20 TONS PER TRACTOR-TRAILER

	RAIL FREIGHT	TRACTOR-TRAILER
Pavement Wear & Tear	$0	$18,954,000
Excess User Costs	$0	$8,950,500
Congestion Costs	$0	$7,020,000
Air Pollution	$1,193,400	$6,318,000
Noise Impacts	$2,667,600	$11,337,300
Accident Costs	$1,067,040	$36,679,500
TOTAL COST (Both Directions)	$4,928,040	$89,259,300
COST PER TON	$6.32	$114.44

AVERAGE PAYLOAD ASSUM., 64 TONS PER RAIL CAR, 9 TONS PER TRACTOR-TRAILER

	RAIL FREIGHT	TRACTOR-TRAILER
Pavement Wear & Tear	$0	$42,153,696
Excess User Costs	$0	$19,905,912
Congestion Costs	$0	$15,612,480
Air Pollution	$1,861,704	$14,051,232
Noise Impacts	$4,161,456	$25,214,155
Accident Costs	$1,664,582	$81,575,208
TOTAL COST (Both Directions)	$7,687,742	$198,512,683
COST PER TON	$9.87	$254.30

A Comparison of Relative Air Pollution Emissions

Ambient Air Quality

National Ambient Air Quality Standards (NAAQS) have been established for six criteria pollutants: carbon monoxide (CO), lead, nitrogen dioxide, ozone, particulates, and sulfur dioxide. There are two sets of NAAQS: primary (which are based on health requirements) and secondary (which are based on environmental considerations).

Pollutants Associated with the Transport of Freight

The primary pollutants of concern for transportation are carbon monoxide (CO), ozone and fine particulate matter (PM). CO, PM and the precursor pollutants that form ozone, nitrogen oxides (NOx) and volatile organic hydrocarbons (VOC), are emitted in diesel truck and diesel rail exhaust. Other vehicular-related sources of PM include brake and tire wear particles and road dust. CO is a site-specific pollutant that primarily affects areas immediately adjacent to a roadway. As a result, it is usually analyzed on a local or microscale basis. Ozone precursors from vehicles (VOC and NO_x) are evaluated at a regional level because precursors contribute to ozone formation at substantial distances from the source

PM is comprised of various types of particles that range from visible settleable dust to very fine particulate that remain suspended, blurring visibility and is inhalable. In addition to total PM, NAAQS health protective air quality concentrations are established for particles with a diameter of 10 microns or less (PM_{10}) and for almost invisible particles of 2 5 microns or less ($PM_{2\,5}$) that can penetrate deep into the lungs depositing elemental black carbon, nitrates and sulfates, and a variety of organic species, many of which are toxic and/or known carcinogens According to a recent study by the California Air Resources Board and the American Lung Association[1], airborne particulate matter in California is among the leading causes of premature death, comparable to second-hand smoke, resulting in twice as many deaths as in motor vehicle accidents and three times as many deaths as homicides.

Pollutants Generated by Rail and Truck Freight Movement

Table 3 provides a comparison of rail and truck emissions factors used for this estimate. On the basis of vehicle miles traveled they are virtually the same. However, on the basis of ton-miles (assuming 100 tons per rail car and 20 tons by truck) they are very different.

[1] http://www.arb.ca.gov/research/health/fs/PM-03fs.pdf, California Environmental Protection Agency, Air Resources Board, American Lung Association of California, Recent Research Findings Health Effects of Particulate Matter and Ozone Air Pollution, January 2004

TABLE 3. COMPARISON OF EMISSIONS FACTORS FOR RAIL AND TRUCK, 2010

	EMISSIONS FACTORS (Grams per Vehicle Mile)		EMISSIONS FACTORS (Grams per Revenue Ton-Mile)	
	RAIL	TRUCK	RAIL	TRUCK
Carbon Monoxide (CO)	2.99	3.15	0.030	0.157
Nitrogen Oxides (NOx)	20.24	20.60	0.202	1.030
Volatile Organic Compounds (VOC)	1.10	2.74	0.011	0.137
Particulate Matter (PM)	0.70	1.24	0.007	0.062

See materials in Appendix for Sources. Assumes 100 tons per car by rail and 20 tons by tractor-trailer.

Table 4 compares the resulting emissions by mode. Table 4 also reports the annual fuel use by mode and the resulting greenhouse gas (CO_2) emissions For the scenario assuming 100 tons per rail car and 20 tons per tractor-trailer truck, the movement of freight by rail produces between 8% and 20% as much pollution as do trucks with the exception of CO_2 for which rail produces about 29% of what trucks produce (moving 2,500 tons of freight six days a week, 52 weeks a year). For this same scenario, trucks consume 3.5 times as much diesel fuel as would rail thereby producing about 3.5 times the CO_2 emissions.

For the alternative scenario, with rail moving 64 tons per car and trucks nearly 9 tons per tractor-trailer, the results are even more favorable for rail with rail producing about one-tenth the emissions produced by trucks

Fuel Consumption

Considering the growing cost of petroleum products and the potential for severe shortages in the decades to come, the potential savings from moving freight by rail versus truck is of considerable interest. Table 5, below, summarizes and emphasizes the energy saving benefits available for moving freight by rail. Assuming that rail moves 100 tons per rail car and trucks, 20 tons per tractor-trailer trip, using rail annually saves seven million gallons of diesel fuel. Fuel savings grow to 17 6 million gallons of diesel fuel if average freight loads are assumed for both rail and truck, 64 tons and 8.9 tons, respectively. For the two scenarios examined, trucks use four to five times as much energy to move the same amount of freight as does rail.

TABLE 4 AIR POLLUTION EFFECTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK, 2010

BASELINE ASSUMPTIONS, 100 TONS PER RAIL CAR, 20 TONS PER TRACTOR-TRAILER

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	39	203	164	19%
Nitrogen Oxides (NOx)	261	1,327	1,066	20%
Volatile Organic Compounds (VOC)	14	177	162	8%
PM10	9	80	71	11%
PM2.5	9	69	60	13%
Carbon Dioxide (CO2)	29,975	104,110	74,135	29%
Total annual fuel use (gallons of diesel)	2,854,800	10,446,429	7,591,629	27%

AVERAGE PAYLOAD ASSUM., 64 TONS PER RAIL CAR, 9 TONS PER TRACTOR-TRAILER

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	60	451	391	13%
Nitrogen Oxides (NOx)	407	2,949	2,542	14%
Volatile Organic Compounds (VOC)	22	392	370	6%
PM10	14	178	163	8%
PM2.5	14	153	139	9%
Carbon Dioxide (CO2)	46,762	231,356	184,594	20%
Total annual fuel use (gallons of diesel)	4,453,488	22,033,898	17,580,410	20%

TABLE 5. ENERGY SAVINGS AVAILABLE FROM RAIL VS. TRUCK

	Gallons of Diesel Fuel Per Year		
	Tractor-Trailer	Rail	Savings
Fuel Use at 100 tons rail/20 tons truck	9,915,254	2,854,800	7,060,454
Fuel Use at 64 tons rail/8.9 tons truck	22,033,898	4,453,488	17,580,410

Conclusions

The long haul transportation of freight by highway imposes significant burdens on the general public in the form of additional taxes to cover road repairs, damage to private vehicles that must run on truck damaged highways, damage to air quality and the attendant health effects, and from to property damage and personal injuries related to accidents Most of these factors do not apply to rail transportation which uses produce a fraction of the emissions, no road damage and few personal injuries due to rail's use of private rather than public rights of way. Two public costs stand out. The annual cost of accidents for moving freight by truck is nearly 35 times that for

rail transport. The cost of air pollution for trucks is more than five times that for rail. The use of rail for freight movement would also save taxpayers, residents and developers a huge amount of money, both directly in the form of direct costs to maintain our roads and in the form of externality cost savings in reduced health care costs Table 6 summarizes these results for the most optimistic comparison for trucks, with 20 tons per tractor-trailer versus 100 tons per rail car.

TABLE 6. BENEFITS OF MOVING FREIGHT BY RAIL
(2,500 tons per day, six days per week, 52 weeks per day, 750 miles)

	RAIL	TRUCK	SAVINGS
Direct Cost to Move Freight ($/ton)	**$20-$40**	**$120**	**67%-83%**
Externality Costs (millions $'s/year)	**$4.92**	**$89.3**	**94%**
Air Pollution Savings (tons/year)			
Nitrogen Oxides	**261**	**1,321**	**80%**
Particulates	**9**	**80**	**89%**
Carbon Dioxide (greenhouse gas)	**29,975**	**104,110**	**71%**
Fuel Consumption (gal's diesel/year)	**2,854,800**	**10,446,429**	**73%**

APPENDIX

Comparison of Externality Costs--2010

Rail vs. Truck Freight Movement

		RAIL FREIGHT (100 tons per car)	TRACTOR-TRAILER (20 tons per tractor-trailer)
Daily Vehicle Movements		25	125
Resulting vehicle trips (1)		7,800	39 000
One-way vehicle miles to destination		750	750
Resulting annual vehicle miles of travel Assuming tractor-trailer returns empty		11,700,000	58,500,000
Tons of freight moved per year		780,000	780 000
Resulting externality Costs (2)		LOADED TRIP OUT	
Pavement Wear & Tear		$0	$12,636,000
Excess User Costs		$0	$5,967,000
Congestion Costs		$0	$3,510,000
Air Pollution		$702,000	$3,510,000
Noise Impacts		$1,404,000	$5,967,000
Accident Costs		$561,600	$19,305,000
	SUBTOTALS	$2,667,600	$50,895,000
Resulting externality Costs (3)		EMPTY TRIP BACK	
Pavement Wear & Tear		$0	$6,318,000
Excess User Costs		$0	$2,983,500
Congestion Costs		$0	$3 510,000
Air Pollution		$491,400	$2,808,000
Noise Impacts		$1,263,600	$5,370,300
Accident Costs		$505,440	$17 374,500
	SUBTOTALS	$2,260,440	$38 364,300
	TOTAL COST	$4,928,040	$89,259,300
	COST PER TON	$6 32	$114 44

(1) Assumes 100 tons per rail car, 20 tons per truck
(2) Assumptions for externality costs See page 3 of report
(3) Estimate assumes both tractor-trailer and railroad cars return empty

	Per Vehicle Mile of Travel Loaded	
	Rail	Truck
Pavement Wear & Tear	$0 000	$0 216
Excess User Costs	$0 000	$0 102
Congestion Costs	$0 000	$0 060
Air Pollution	$0 060	$0 060
Noise Impacts	$0 120	$0 102
Accident Costs	$0 048	$0 330

(4) Empty vehicles have a slightly lower external cost factor

	Per Vehicle Mile of Travel Empty	
	Rail	Truck
Pavement Wear & Tear	$0 000	$0 108
Excess User Costs	$0 000	$0 051
Congestion Costs	$0 000	$0 060
Air Pollution	$0 042	$0 048
Noise Impacts	$0 108	$0 092
Accident Costs	$0 043	$0 297

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Comparison of Externality Costs (Reduced Car Capacity)--2010

Rail vs. Truck Freight Movement

		RAIL FREIGHT (64 tons per car)	TRACTOR-TRAILER (9 tons per tractor-trailer
Daily Vehicle Movements		39	278
Resulting vehicle trips (1)		12,168	86,736
One-way vehicle miles to destination		750	750
Resulting annual vehicle miles of travel Assuming tractor-trailer returns empty		18,252,000	130,104,000
Tons of freight moved per year		778,752	780,624
Resulting externality Costs (2)		LOADED TRIP OUT	
Pavement Wear & Tear		$0	$28,102,464
Excess User Costs		$0	$13 270,608
Congestion Costs		$0	$7,806,240
Air Pollution		$1,095,120	$7,806,240
Noise Impacts		$2 190,240	$13,270,608
Accident Costs		$876,096	$42 934,320
	SUBTOTALS	*$4 161,456*	*$113,190 480*
Resulting externality Costs (3)		EMPTY TRIP BACK	
Pavement Wear & Tear		$0	$14,051 232
Excess User Costs		$0	$6,635,304
Congestion Costs		$0	$7,806,240
Air Pollution		$766,584	$6,244,992
Noise Impacts		$1,971,216	$11,943,547
Accident Costs		$788,486	$38,640,888
	SUBTOTALS	$3,526,286	$85,322,203
	TOTAL COST (Both Directions)	$7,687,742	$198,512,683
	COST PER TON	$9 87	$254 30

(1) Assumes 64 tons per rail car, 9 tons per truck
(2) Assumptions for externality costs See page 3 of report
(3) Estimate assumes both tractor-trailer and railroad cars return empty

Per Vehicle Mile of Travel Loaded	Rail	Truck
Pavement Wear & Tear	$0 000	$0 216
Excess User Costs	$0 000	$0 102
Congestion Costs	$0 000	$0 060
Air Pollution	$0 060	$0 060
Noise Impacts	$0 120	$0 102
Accident Costs	$0 048	$0 330

(4) Empty vehicles have a slightly lower external cost factor

Per Vehicle Mile of Travel Empty	Rail	Truck
Pavement Wear & Tear	$0 000	$0 108
Excess User Costs	$0 000	$0 051
Congestion Costs	$0 000	$0 060
Air Pollution	$0 042	$0 048
Noise Impacts	$0 108	$0 092
Accident Costs	$0 043	$0 297

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Rail vs. truck freight comparison using supplied numbers--2010

		VOC	CO	NOx	PM	CO2
Truck emissions per truck-mile		2 74	3 15	20 6	1 24	1695
Trucks per day	125					
Annual miles (6 days/week, 750 miles)	58 66071 million					
Annual truck emissions (metric tons)		**160 7**	**184 8**	**1208 4**	**72.7**	**99425**
Rail emissons per car-mile		1 10	2 99	20 24	0 70	1091
Cars per day	25					
Annual miles (6 days/week, 750 miles)	11 73214 million					
Annual rail emissons (metric tons)		**12.9**	**35 1**	**237.5**	**8.2**	**12794**
Rail vs. truck change, absoluto (metric tons)		***-147 8***	***-149 7***	***-971.0***	***-64.6***	***-86631***
Rail vs. truck change, relative		***-92%***	***-81%***	***-80%***	***-89%***	***-87%***

Rail vs. truck freight comparison using ton-mile approach--2010

	VOC	CO	NOx	PM	CO2
Truck emissions, grams per revenue ton-mile	0 154	0 177	1 158	0 070	95 24
Rail emissions per revenue ton-mile	0 022	0 060	0 408	0 014	21 98
Rail vs truck change, relative	**-86%**	**-66%**	**-65%**	**-80%**	**-77%**
Rail vs truck absolute, annual, at 2,500 tons/day	***-77.3***	***-68.5***	***-439.7***	***-32.6***	***-42975***

Supporting calculations--Estimated 2010

Trucks		VOC	CO	NOx	PM	CO2
Emissions factors, grams per mile (9)		2.74	3 15	20.6	1 24	
Average fuel economy, miles per gallon (2)	5.9					
Truck emissions, grams per mile		2 74	3.15	20.6	1.24	1695
Average fuel economy, ton-miles per gallon (8)	105					
Truck emissions, grams per revenue ton-mile		0.154	0.177	1 158	0.070	95.2

Railroad		VOC	CO	NOx	PM	
Rail emissions factors, grams per gallon (1)		10.1	27.4	185.6	6 4	
Rail emissions factors grams per gallon (6)		9 2	29 7	225 0	4 9	
Average fuel economy, car-miles per gallon (2)	9 17					
Rail emissions per car-mile		1.10	2 99	20.24	0 70	1091
Average fuel economy, ton-miles per gallon (4)	340					
Average fuel economy, ton-miles per gallon (3)	386					
Average fuel economy, ton-miles per gallon (7,8)	455					
Average fuel economy, ton-miles per gallon (5)	510					
Average fuel economy, ton-miles per gallon (6)	329-1004					
Rail emissions per revenue ton-mile		0.022	0 060	0 408	0.014	22.0

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http //www railcan ca/documents/publications/627/2004_11_01_Trends2004_en pdf

(6) Development of Railroad Emissions Inventory Methodologies Sierra Research 2004
http //www metro4-sesarm org/pubs/railroad/FinalMethodologies pdf

(7) Investing in mobility Environmental defense
http //www environmentaldefense org/documents/3601_InvestingMobility_Hudson pdf

(8) Freight Rail Infrastructure Investment, CSX, presented at Transportation Research Board 2002
http://trb org/conferences/Fin3/Track4_Gibson_102802 ppt

(9) John Martin, NYSDOT, Region 10 (personal communication, July 28, 2007)
Also, see http://www.arb.ca.gov/msprog/onroad/porttruck/appa pdf

(10) Arkansas waterways commission
http //www waterways dina org/advantage html

EMISSIONS GENERATED FROM 125 DAILY TRACTOR-TRAILER TRIPS TRAVELING 750 MILES AND RETURNING
(Assumes 2,500 tons of freight moved daily)

EXTERNALITY COSTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	RAIL FREIGHT (100 tons per car)	TRACTOR-TRAILER (20 tons per tractor-trailer
Pavement Wear & Tear	$ -	$ 18,954,000
Excess User Costs	$ -	$ 8,950,500
Congestion Costs	$ -	$ 7,020,000
Air Pollution	$ 1,193,400	$ 6,318,000
Noise Impacts	$ 2,667,600	$ 11,337,300
Accident Costs	$ 1,067,040	$ 36,679,500
TOTAL COST (Both Directions)	$ 4,928,040	$ 89,259,300
COST PER TON	$ 6 32	$ 114 44

AIR POLLUTION EFFECTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	39	203	164	19%
Nitrogen Oxides (NOx)	261	1,327	1,066	20%
Volatile Organic Compounds (VOC)	14	177	162	8%
PM10	9	80	71	11%
PM2 5	9	69	60	13%
Carbon Dioxide (CO2)	29,975	104,110	74,135	29%
Total annual fuel use (gallons of diesel)	2 854,800	10,446,429	7,591,629	27%

Brian Ketcham Engineering, P C (July 28, 2007)

THE FOLLOWING EMISSIONS ANALYSIS ASSUMED A TOTAL OF 2,500 TONS OF FREIGHT ARE MOVED DAILY, BUT THAT THE AVERAGE TRUCK CARRIES 9 TONS AND THE AVERAGE RAIL CAR 64 TONS

EXTERNALITY COSTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	RAIL FREIGHT (64 tons per car)	TRACTOR-TRAILER (9 tons per tractor-trailer
Pavement Wear & Tear	$ -	$ 42,153,696
Excess User Costs	$ -	$ 19,905,912
Congestion Costs	$ -	$ 15,612,480
Air Pollution	$ 1,861,704	$ 14,051,232
Noise Impacts	$ 4,161,456	$ 25,214,155
Accident Costs	$ 1,664,582	$ 81,575,208
TOTAL COST (Both Directions)	$ 7,687,742	$ 198,512,683
COST PER TON	$ 9.87	$ 254 30

AIR POLLUTION EFFECTS OF LONG DISTANCE FREIGHT MOVEMENT, RAIL VS. TRUCK

	Annual Rail Emissions (tons per year)	Annual Truck Emissions (tons per year)	Difference Truck - Rail (tons per year)	Percent Diff. Rail as % of Truck
Carbon Monoxide (CO)	60	451	391	13%
Nitrogen Oxides (NOx)	407	2,949	2,542	14%
Volatile Organic Compounds (VOC)	22	392	370	6%
PM10	14	178	163	8%
PM2.5	14	153	139	9%
Carbon Dioxide (CO2)	46,762	231,356	184,594	20%
Total annual fuel use (gallons of diesel)	4,453,488	22,033,898	17,580,410	20%

Brian Ketcham Engineering, P C (July 28, 2007)

I

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34797

New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts

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Verified Statement of
Robert W. Jones, III

1. My name is Robert Jones, and my business address is 24 River Road, Suite 19, Clifton, NJ, 07014. I am a managing member of New England Transrail, LLC ("NET"). I have been involved in NET's proposal to build and operate a terminal railroad facility ("NET Project") on the property at 51 Eames Street, Wilmington, Massachusetts since the project was first conceived. As a managing member, I have been personally involved in all aspects of the NET Project

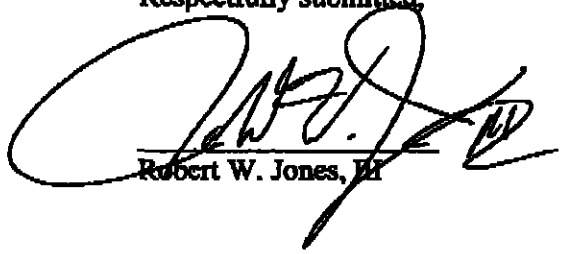
2. On April 19, 2007, I submitted a verified statement attesting to the fact that NET will hire appropriate crew members and personnel to operate the railroad and the transloading operations.

3. In that statement, I also testified that NET will employ a railroad police security force

4. It is anticipated that NET will employ 30-40 local residents to accomplish its transportation objectives.

5. Although NET's net revenues will fluctuate depending on market conditions, NET projects annual revenues to substantially exceed expenses on a consistent basis.

Respectfully submitted,

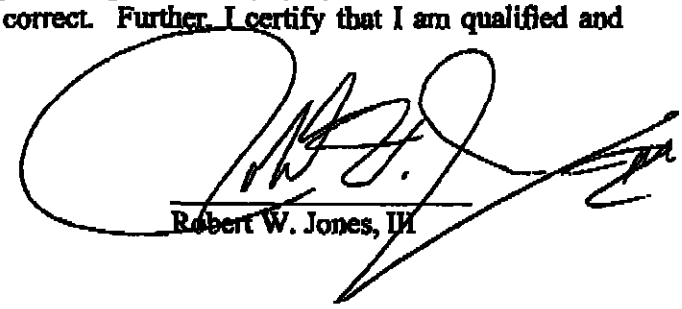


Robert W. Jones, III

VERIFICATION

I, Robert W. Jones, III, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on August 8, 2007.



Robert W. Jones, III

J

REDACTED

EX. J

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34797

New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts

Verified Statement of
Jack Lyon

1 My name is Jack Lyon.

2. I am a principal and twenty-five percent shareholder of New England Transrail, LLC ("NET")

3. I have been involved in NET's proposal to build and operate a terminal railroad facility ("NET Project") on the property at 51 Eames Street, Wilmington, Massachusetts since the project was first conceived.

4 I control no other common carrier

5. I hereby submit this statement to verify NET's financial fitness, NET's ability to undertake this project, and NET's ability to sustain adequate service to shippers

6. I, along with Mr. Carl Jones, am responsible for financing the NET Project.

7 To date, I have committed half of the equity investment of $ **REDACTED**

8 In addition, based on discussions with commercial lending institutions, NET anticipates that it can borrow in excess of $ **REDACTED** to finance the NET Project.

9 This will provide the necessary funds to construct the tracks and improvements needed for operations, and will also cover such environmental mitigation measures as deemed necessary by the SEA

10. Our debt-equity financing of the NET Project will provide needed outside resources to the rail industry while conserving scarce rail industry capital and borrowing power.

Respectfully submitted,

Jack Lyon

Jack Lyon

VERIFICATION

I, Jack Lyon, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement.

Executed on August 8th, 2007.

Jack Lyon

Jack Lyon

K

REDACTED Ex. K

BEFORE THE
SURFACE TRANSPORTATION BOARD

Finance Docket No. 34797

New England Transrail, LLC, d/b/a Wilmington & Woburn Terminal Railway—Petition For An Exemption From 49 U.S.C. § 10901 To Acquire, Construct And Operate As A Rail Carrier On Tracks and Land In Wilmington and Woburn, Massachusetts

Verified Statement of
Carl Jones

1. My name is Carl Jones.

2. I am a principal and twenty-five percent shareholder of New England Transrail, LLC ("NET")

3. I have been involved in NET's proposal to build and operate a terminal railroad facility ("NET Project") on the property at 51 Eames Street, Wilmington, Massachusetts since the project was first conceived

4. I control no other common carrier.

5. I hereby submit this statement to verify NET's financial fitness, NET's ability to undertake this project, and NET's ability to sustain adequate service to shippers

6. I, along with Mr Jack Lyon, am responsible for financing the NET Project.

7 To date, I have committed half of the equity investment of $ **REDACTED**

8 In addition, based on discussions with commercial lending institutions, NET anticipates that it can borrow in excess of $ **REDACTED** to finance the NET Project

9 This will provide the necessary funds to construct the tracks and improvements needed for operations, and will also cover such environmental mitigation measures as deemed necessary by the SEA

10. Our debt-equity financing of the NET Project will provide needed outside resources to the rail industry while conserving scarce rail industry capital and borrowing power.

Respectfully submitted,

Carl Jones

VERIFICATION

I, Carl Jones, verify under penalty of perjury under the laws of the United States that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this Verified Statement

Executed on August 8th, 2007.

Carl Jones